
By: **Prince George's County Delegation**
Introduced and read first time: February 5, 2003
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Commercial Entertainment Zones - Sales Tax on**
3 **Food and Beverages**
4 **PG 415-03**

5 FOR the purpose of authorizing the County Council for Prince George's County to
6 impose a certain tax on the sale of certain food and beverages in certain
7 commercial entertainment zones in Prince George's County; establishing limits
8 on Prince George's County's authority to impose a certain tax; establishing
9 procedures for the collection of a certain tax; requiring certain vendors to file
10 certain returns and make certain payments; authorizing certain vendors to
11 deduct certain expenses; authorizing the County Council for Prince George's
12 County to enforce certain unpaid taxes; requiring Prince George's County to
13 distribute certain revenue in a certain manner after a certain deduction;
14 defining certain terms; and generally relating to authorizing the County Council
15 for Prince George's County to impose a certain tax on the sale of certain food and
16 beverages in certain commercial entertainment zones in Prince George's County.

17 BY adding to
18 Article 24 - Political Subdivisions - Miscellaneous Provisions
19 Section 9-607
20 Annotated Code of Maryland
21 (2001 Replacement Volume and 2002 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article - Tax - General
24 Section 11-102(b)
25 Annotated Code of Maryland
26 (1997 Replacement Volume and 2002 Supplement)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
28 MARYLAND, That the Laws of Maryland read as follows:

Article 24 - Political Subdivisions - Miscellaneous Provisions

2 9-607.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (2) "BEVERAGE" DOES NOT INCLUDE AN ALCOHOLIC BEVERAGE, AS
6 DEFINED IN § 5-101 OF THE TAX - GENERAL ARTICLE, IF THE ALCOHOLIC BEVERAGE
7 IS SOLD FOR CONSUMPTION OFF THE PREMISES.

8 (3) "COMMERCIAL ENTERTAINMENT ZONE" MEANS AN AREA LOCATED
9 IN A MUNICIPALITY THAT PROVIDES AN INDEPENDENT POLICE FORCE AND ROAD
10 CLEANUP AND MAINTENANCE THAT:

11 (I) IS DEFINED BY THE MUNICIPALITY AS A COMMERCIAL
12 ENTERTAINMENT ZONE AND APPROVED BY THE COUNTY COUNCIL FOR PRINCE
13 GEORGE'S COUNTY;

14 (II) BY REASON OF THE NATURE OF COMMERCIAL DEVELOPMENT,
15 HAS AN UNUSUAL INFLUX OF COMMERCIAL VISITORS; AND

16 (III) BY REASON OF THE INFLUX, REQUIRES MUNICIPAL SERVICES
17 IN UNUSUAL NUMBER OR MAGNITUDE.

18 (4) "FOOD", "PREMISES", AND "SUBSTANTIAL GROCERY OR MARKET
19 BUSINESS" HAVE THE MEANINGS STATED IN § 11-206 OF THE TAX - GENERAL
20 ARTICLE.

21 (5) "TAXABLE PRICE" HAS THE MEANING STATED IN § 11-101 OF THE TAX
22 - GENERAL ARTICLE.

23 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE COUNTY
24 COUNCIL FOR PRINCE GEORGE'S COUNTY MAY IMPOSE, BY ORDINANCE, AND
25 COLLECT A TAX ON THE SALE OF FOOD AND BEVERAGES IN A COMMERCIAL
26 ENTERTAINMENT ZONE IN PRINCE GEORGE'S COUNTY.

27 (C) A TAX IMPOSED UNDER THIS SECTION DOES NOT APPLY TO:

28 (1) A SALE OF FOOD THAT IS EXEMPT FROM THE STATE SALES AND USE
29 TAX UNDER § 11-206 OF THE TAX - GENERAL ARTICLE;

30 (2) A SALE OF FOOD OR BEVERAGES FOR CONSUMPTION OFF THE
31 PREMISES IF SOLD BY A VENDOR THAT OPERATES A SUBSTANTIAL GROCERY OR
32 MARKET BUSINESS AT THE SAME LOCATION WHERE THE FOOD IS SOLD, EVEN IF THE
33 SALE IS SUBJECT TO THE STATE SALES AND USE TAX UNDER TITLE 11 OF THE TAX -
34 GENERAL ARTICLE; OR

35 (3) A SALE OF FOOD OR BEVERAGES IN VENDING MACHINES.

1 (D) A TAX IMPOSED UNDER THIS SECTION MAY NOT EXCEED 1% OF THE
2 TAXABLE PRICE OF A SALE OF FOOD AND BEVERAGES THAT ARE SUBJECT TO THE
3 TAX.

4 (E) A TAX IMPOSED UNDER THIS SECTION SHALL BE:

5 (1) COLLECTED FROM THE BUYER ON BEHALF OF PRINCE GEORGE'S
6 COUNTY BY THE VENDOR THAT MAKES A SALE THAT IS SUBJECT TO THE TAX; AND

7 (2) HELD IN TRUST BY THE VENDOR FOR PRINCE GEORGE'S COUNTY.

8 (F) (1) A VENDOR REQUIRED TO COLLECT A TAX IMPOSED UNDER THIS
9 SECTION SHALL FILE A RETURN WITH PRINCE GEORGE'S COUNTY ON OR BEFORE
10 THE 21ST DAY OF EACH MONTH.

11 (2) A RETURN REQUIRED UNDER THIS SECTION:

12 (I) SHALL BE MADE ON THE FORM THAT PRINCE GEORGE'S
13 COUNTY REQUIRES; AND

14 (II) SHALL CONTAIN THE INFORMATION THAT PRINCE GEORGE'S
15 COUNTY REQUIRES, INCLUDING:

16 1. THE GROSS PROCEEDS OF THE VENDOR DURING THE
17 PRECEDING MONTH FROM SALES THAT ARE SUBJECT TO THE TAX;

18 2. THE TAXABLE PRICE OF SALES FOR THAT MONTH ON
19 WHICH THE TAX IS COMPUTED; AND

20 3. THE TAX DUE.

21 (G) (1) A VENDOR THAT MAKES A SALE THAT IS SUBJECT TO A TAX IMPOSED
22 UNDER THIS SECTION SHALL PAY THE TAX THAT THE VENDOR COLLECTS FOR THAT
23 SALE WITH THE RETURN THAT COVERS THE PERIOD IN WHICH THE VENDOR MAKES
24 THAT SALE.

25 (2) FOR THE EXPENSE OF COLLECTION AND REMITTANCE OF A TAX
26 IMPOSED UNDER THIS SECTION, A VENDOR THAT TIMELY FILES A RETURN AND
27 REMITS THE TAX MAY DEDUCT AN AMOUNT EQUAL TO 1.5% OF THE GROSS TAX
28 COLLECTED BY THE VENDOR.

29 (H) THE COUNTY COUNCIL FOR PRINCE GEORGE'S COUNTY MAY PROVIDE BY
30 LAW FOR:

31 (1) THE IMPOSITION OF INTEREST AND PENALTIES FOR FAILURE TO PAY
32 THE TAX AS REQUIRED; AND

33 (2) COLLECTION OF UNPAID TAX, INTEREST, OR PENALTIES.

34 (I) FROM THE TOTAL REVENUE DERIVED FROM A TAX IMPOSED UNDER THIS
35 SECTION, PRINCE GEORGE'S COUNTY SHALL:

1 (1) DEDUCT A REASONABLE PERCENTAGE NOT TO EXCEED 5% FOR THE
2 COST OF IMPOSING AND COLLECTING THE TAX; AND

3 (2) AFTER THE DEDUCTION IN ITEM (1) OF THIS SUBSECTION,
4 DISTRIBUTE THE REVENUE TO THE AUTHORITY RESPONSIBLE FOR PROVIDING
5 POLICE AND PUBLIC SERVICES FOR THE COMMERCIAL ENTERTAINMENT ZONE IN
6 WHICH THE TAX IS IMPOSED.

7 **Article - Tax - General**

8 11-102.

9 (b) (1) A county, municipal corporation, special taxing district, or other
10 political subdivision of the State may not impose any retail sales or use tax except:

11 (i) a sales tax or use tax that was in effect on January 1, 1971;

12 (ii) a tax on the sale or use of:

13 1. fuels;

14 2. utilities;

15 3. space rentals; or

16 4. any controlled dangerous substance, as defined in § 5-101
17 of the Criminal Law Article, unless the sale is made by a person who registers under
18 and complies with Title 5, Subtitle 3 of the Criminal Law Article; [or]

19 (iii) a tax imposed by a code county on the sale or use of food and
20 beverages authorized under Article 25B, § 13H of the Code; OR

21 (IV) A SALES TAX IMPOSED BY PRINCE GEORGE'S COUNTY UNDER
22 ARTICLE 24, § 9-607 OF THE CODE.

23 (2) Paragraph (1) of this subsection may not be construed as conferring
24 authority to impose a sales and use tax.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2003.